

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s.Mahindra & Mahindra, Zaheerabad, Medak District for their proposed Tractor Manufacturing facility unit – Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 26

Dated:23-3-2011

Read the following:-

1. From Vice President operations of M/s.Mahindra & Mahindra, Zaheerabad, Medak District, Letter No. Nil, dated 4.10.2010, 19.10.2010, 24.11.2011 and 03.03.2011.
2. Meeting under the Chairmanship of Hon'ble Minister for Major Industries with the concerned Departments
3. Minutes of the State Investment Promotion Committee Meeting held on 10.02.2011
4. Minutes of the State Investment Promotion Board Meeting held on 23.02.2011.
5. From the Commissioner of Industries, AP., Hyderabad Single File No15/1/10/1510, dated nil received on 14.3.2011.

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O R D E R:-

In the reference 1st read above, M/s.Mahindra & Mahindra, Zaheerabad, Medak District, informed that Mahindra & Mahindra is the No.1 in terms of number of Tractors sold globally in last year and they have Tractor manufacturing plants at Mumbai, Nagpur, Rudrapur, Jaipur, Chandigarh and Rajkot. Besides, it has other overseas plants at USA (2 plants), China (2 plants) and Australia. Now, Mahindra & Mahindra proposes to set up a Tractor Manufacturing facility at Zaheerabad, Medak District adjacent to their Existing plant with a minimum investment of Rs.250 Crores for producing 80000 units per annum to meet the additional market demand. The actual investment is expected to be Rs.276 Crs in the first 5 years and it may go up further. The Company proposes to generate employment to 1600 persons by the end of 5 years and requested for the certain incentives/ benefits.

2. The issue was discussed in the meeting under the chairmanship of the Hon'ble Minister for Major Industries on 16.9.2010 with the Departments concerned and it was decided to place the issue before State Investment Promotion Committee (SIPC)/ State Investment Promotion Board (SIPB).

3. State Investment Promotion Committee (SIPC) in its meeting held on 10.02.2011 have examined the proposal of M/s.Mahindra & Mahindra Limited, and decided to place the matter before the State Investment Promotion Board (SIPB) with certain recommendations.

4. State Investment Promotion Board in its meeting held on 23.02.2011 examined the proposal of M/s.Mahindra & Mahindra Limited, in detail keeping in view of the recommendations of the SIPC held on 10.2.2011 and decided to extend the following incentives to the Company:

- a. 100% Gross VAT & CST / SGST reimbursement for a period of 10 years from the date of commencement of commercial production or upto realization of Rs.276 Crores, whichever is earlier. These special incentives will be applicable to the company only after achieving Mega Project Status by investing Rs. 250 Crore and above as per the IIPP 2010-15 Policy.
- b. All other incentives as per IIPP 2010-15 Policy
- c. With regard to supply of 1.25 MLD water, the Hon'ble Minister for Major Industries informed that 2 MLD of water from Singoor Project has already been allocated for Industrial purpose and the demand of the Company can be met from the same.

5. Government after careful examination of the proposal of M/s.Mahindra & Mahindra Limited hereby extend the following incentives to Mahindra & Mahindra, Zaheerabad, Medak District under Industrial Investment Promotion Policy 2010-2015 for their proposed Tractor manufacturing facility with a minimum investment of Rs.250 Crores for producing 80000 units per annum.

- (a) To extend 100% Gross VAT & CST / SGST reimbursement for a period of 10 years
(P.T.O)

from the date of commencement of commercial production or upto Rs.276.00 Crores, whichever is earlier. These special incentives will be applicable to the company only after achieving Mega Project Status by investing Rs. 250 Crore and above as per the IIPP 2010-15 Policy.

(b) To extend the following other incentives as per IIPP 2010-15 Policy:

- (1) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use;
- (2) 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.;
- (3) Fixed power cost reimbursement of cost @ Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years from the date of commencement of commercial production;
- (4) 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person. Preference shall be given to locals in providing employment in the plant.
- (5) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakh; and
- (6) Infrastructure support from IIDF with a ceiling of Rs.1.00 crore as per para 4.2.10 of Policy.

6. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and instruct the General Manager, District Industries Centre, Medak to intimate the status of the progress of work done by the unit from time to time.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.SAM BOB,
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, A.P., Hyderabad.

M/s.Mahindra & Mahindra, Zaheerabad, Medak District, through Commissioner of Industries.

The District Collector, Medak

Copy to:

The Law Dept./Revenue (CT) Dept.. / The Revenue (Registration) Dept/The Energy Dept..

The Irrigation (PW.Reforms) Dept./The Ind. & Com. (INF) Dept.

The A.G. General, A.P, Hyderabad / The CCT, Hyderabad/ The VC&MD, APIIC, Hyderabad.

The CMD, APTRANSCO., Hyderabad /The MD, APCPDC Ltd., Hyderabad/The GM, DIC,

Nellore./P.S. to Principal Secretary to Chief Minister /P.S. to Hon'ble Minister(Major Industries)

P.S. to Chief Secretary to Govt. /P.S. to Principal Secretary to Govt. & CIP, I &C Dept.

SC/SF

// Forwarded:: By:: Order //

SECTION OFFICER